



A-423-813
Administrative Review
POR: 7/1/2019 – 6/30/2020
Public Document
E&C/OIII: DL

July 16, 2021

MEMORANDUM TO: Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of the
Antidumping Duty Administrative Review: Citric Acid and
Certain Citrate Salts from Belgium; 2019-2020

I. SUMMARY

The Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on citric acid and certain citrate salts (citric acid) from Belgium, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). The period of review (POR) is July 1, 2019, through June 30, 2020. The administrative review covers one mandatory respondent, S.A. Citrique Belge N.V. (Citrique Belge).¹ We preliminarily determine that Citrique Belge did not make sales of subject merchandise at less than normal value during the POR.

II. BACKGROUND

On July 25, 2018, Commerce published the antidumping duty order on citric acid and certain citrate sales (citric acid) from Belgium in the *Federal Register*.² On July 1, 2020, Commerce notified interested parties of the opportunity to request an administrative review of the *Order*.³

Pursuant to section 751(a)(a) of the Act, and 19 CFR 351.213(b), Citrique Belge and the petitioners⁴ requested an administrative review of Citrique Belge, on July 10 and July 30, 2020,

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 54983 (September 3, 2020). (*Initiation Notice*).

² See *Citric Acid and Certain Citrate Salts from Belgium, Colombia and Thailand: Antidumping Duty Orders*, 83 FR 35214 (July 25, 2018) (*Order*).

³ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 85 FR 39531 (July 1, 2020).

⁴ The petitioners are Archer Daniels Midland Company; Cargill, Incorporated; and Tate & Lyle Ingredients Americas LLC (the petitioners).



respectively.⁵ On September 3, 2020, in accordance with 19 CFR 351.221(c)(1)(i), Commerce published a notice of initiation for this administrative review.⁶

Commerce issued the initial questionnaire to Citrique Belge on October 8, 2020.⁷ Citrique Belge provided timely responses to the relevant sections of the initial questionnaire.⁸ Between December 2020 and March 2021, we issued supplemental questionnaires to Citrique Belge, and Citrique Belge provided timely responses, as requested.⁹

On October 1, 2020, the petitioners requested that Commerce conduct a duty absorption inquiry to determine whether Citrique Belge had absorbed antidumping duties.¹⁰ On December 2, 2020, Commerce issued a request for information concerning duty absorption to Citrique Belge, and on December 16, 2020, Citrique Belge submitted a response.¹¹

On March 4, 2021, we extended the preliminary results of this review to no later than July 30, 2021.¹²

III. SCOPE OF THE *ORDER*

The merchandise covered by this *Order* includes all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend.

⁵ See Citrique Belge's Letter, "Citric Acid and Certain Citrate Salts from Belgium: Request for Administrative Review," dated July 10, 2020; *see also* Petitioners' Letter, "Citric Acid and Certain Citrate Salts from Belgium: Petitioners' Request for Administrative Review," dated July 30, 2020.

⁶ See *Initiation Notice*.

⁷ See Commerce Letter, Initial AD Questionnaire, dated October 8, 2020.

⁸ See Citrique Belge's Letters, "Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from Belgium: S.A. Citrique Belge N.V. Section A Questionnaire Response," dated November 5, 2020 (Citrique Belge Section A IQR); "Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from Belgium: S.A. Citrique Belge N.V. Sections B and C Questionnaire Response," dated November 30, 2020 (Citrique Belge Section B and C IQR); and "Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from Belgium: S.A. Citrique Belge N.V. Section D Questionnaire Response," dated December 3, 2020.

⁹ See Commerce's Letters, "Administrative Review on Citric Acid and Certain Citrate Salts from Belgium: First Supplemental Questionnaire," dated December 28, 2020; and "Administrative Review on Citric Acid and Certain Citrate Salts from Belgium: Second Supplemental Questionnaire," dated March 1, 2021; *see also* Citrique Belge's Letters, "Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from Belgium: S.A. Citrique Belge N.V. 1st Supplemental Sections A-D Questionnaire Response," dated January 19, 2021; and "Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from Belgium: S.A. Citrique Belge N.V. 2nd Supplemental Questionnaire Response," dated March 30, 2021.

¹⁰ See Petitioners' Letter, "Citric Acid and Certain Citrate Salts from Belgium: Petitioners' Request for Duty Absorption Determination," dated October 1, 2020 (Duty Absorption Request).

¹¹ See Commerce's Letter, "Citric Acid and Certain Citrate Salts from Belgium: Duty Absorption," dated December 2, 2020 (Duty Absorption Letter); *see also* Citrique Belge's Letter, "Antidumping Duty Administrative Review on Citric Acid and Certain Citrate Salts from Belgium: Citrique Belge's Response to the Department's Duty Absorption Request for Information," dated December 16, 2020 (Duty Absorption Response).

¹² See Memorandum, "Citric Acid and Certain Citrate Salts from Belgium: Antidumping Duty Administrative Review; 2019-2020 Extension of Deadline for Preliminary Results," dated March 4, 2020.

The scope also includes all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate.

The scope includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively.

The scope does not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product.

Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), respectively. Potassium citrate and crude calcium citrate are classifiable under 2918.15.5000 and, if included in a mixture or blend, 3824.99.9295 of the HTSUS. Blends that include citric acid, sodium citrate, and potassium citrate are classifiable under 3824.99.9295 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

IV. DUTY ABSORPTION

Section 751(a)(4) of the Act provides for Commerce, if requested, to determine during an administrative review initiated two or four years after publication of the order whether antidumping duties have been absorbed by the foreign producer or exporter if the subject merchandise is sold in the United States through an affiliated importer. On October 1, 2020, the petitioners requested that Commerce conduct a duty absorption inquiry.¹³ Because this review was initiated two years after the publication of the *Order*, and because the petitioners made a request for a duty absorption review, we took steps to evaluate whether whether antidumping duties have been absorbed by Citrique Belge, consistent with 19 CFR 351.213(j).

On December 2, 2020, Commerce issued a letter to Citrique Belge, providing an opportunity for the respondent to demonstrate that its unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the instant POR.¹⁴ Subsequently, on December 16, 2020, Citrique Belge submitted documentation in response to Commerce's letter.¹⁵ We note, however, that Citrique Belge reported that all U.S. sales were export price (EP) sales during the POR.¹⁶ Accordingly, because the subject merchandise was not sold through an importer who is affiliated

¹³ See Duty Absorption Request.

¹⁴ See Duty Absorption Letter.

¹⁵ See Duty Absorption Response.

¹⁶ See Citrique Belge Section B and C IQR at C-9.

with the foreign producer/exporter, as required for a duty absorption analysis, we have preliminarily determined not to examine duty absorption for Citrique Belge.¹⁷

V. DISCUSSION OF THE METHODOLOGY

We are conducting this administrative review of the *Order* in accordance with section 751(a) of the Act, and 19 CFR 351.213.

A. Date of Sale

Section 351.401(i) of Commerce's regulations states that, "{i}n identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the ordinary course of business." The regulation provides further that Commerce may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.¹⁸ Commerce has a long practice of finding that, where the shipment date precedes the invoice date, the shipment date better reflects the date on which the material terms of sale are established.¹⁹

Citrique Belge reported the commercial invoice date as the date of sale for both its home and U.S. market sales.²⁰ In the event that the reported shipment date precedes the reported invoice date, Commerce's margin analysis program has relied on the reported shipment date.

B. Comparison to Normal Value

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Citrique Belge's sales of citric acid from Belgium to the United States were made at less than NV, Commerce compared the EP to the NV as described in the "Export Price" and "Normal Value" section of this memorandum.

1. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), we calculate weighted-average dumping margins by comparing weighted-average normal values to weighted-average export prices (or constructed export prices) (*i.e.*, the average-to-average method) unless the Secretary determines that another method is appropriate in a particular situation. In less-than-fair-value investigations, we examine whether to compare weighted-average normal values with the export prices (or constructed export prices) of individual sales (*i.e.*, the average-to-transaction method) as an alternative

¹⁷ See section 751(a)(4) of the Act and *Agro Dutch Industries, Ltd. v. United States*, 508 F.3d 1024 (Fed. Cir. 2007).

¹⁸ See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)).

¹⁹ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from Thailand*, 69 FR 76918 (December 23, 2004), and accompanying Issues and Decision Memorandum (IDM) at Comment 10; see also *Notice of Final Determination of Sales at Less than Fair Value: Structural Steel Beams from Germany*, 67 FR 35497 (May 20, 2002), and accompanying IDM at Comment 2.

²⁰ See Citrique Belge Section A IQR at 16.

comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern our examination of this question in the context of administrative reviews, we nevertheless find that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in less-than-fair-value investigations.²¹

In prior investigations, we applied a “differential pricing” analysis for determining whether application of the average-to-transaction method is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and section 777A(d)(1)(B) of the Act.²² We find that the differential pricing analysis used in prior investigations may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. We will continue to develop our approach in this area based on comments received in this and other proceedings, and on our additional experience with addressing the potential masking of dumping that can occur when we use the average-to-average method in calculating a respondent’s weighted-average dumping margin.

The differential pricing analysis used in these preliminary results examines whether there exists a pattern of export prices (or constructed export prices) for comparable merchandise that differ significantly among purchasers, regions, or time periods. The analysis evaluates all export sales by purchaser, region and time period to determine whether a pattern of prices that differ significantly exists. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the weighted-average dumping margin. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported consolidated customer codes. Regions are defined using the reported destination code (*i.e.*, state) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the period of review based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is defined using the product control number and all characteristics of the U.S. sales, other than purchaser, region and time period, that we use in making comparisons between export price (or constructed export price) and normal value for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* coefficient is a generally recognized statistical measure of the extent of the difference between the mean (*i.e.*, weighted-average price) of a test group and the mean (*i.e.*, weighted-average price) of a comparison group. First, for comparable merchandise, the Cohen’s *d* coefficient is calculated when the test and comparison groups of data for a particular purchaser, region or time period each have at least two observations, and when the sales quantity for the

²¹ See *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012), and accompanying IDM at Comment 1; see also *Apex Frozen Foods Private Ltd. v. United States*, 37 F. Supp. 3d 1286 (Ct. Int’l Trade 2014).

²² See, e.g., *Xanthan Gum from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33351 (June 4, 2013); *Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014); or *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015).

comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen's d coefficient is used to evaluate the extent to which the prices to the particular purchaser, region or time period differ significantly from the prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen's d test: small, medium or large (0.2, 0.5 and 0.8, respectively). Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the mean of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference is considered significant, and the sales in the test group are found to pass the Cohen's d test, if the calculated Cohen's d coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

Next, the "ratio test" assesses the extent of the significant price differences for all sales as measured by the Cohen's d test. If the value of sales to purchasers, regions, and time periods that pass the Cohen's d test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the average-to-transaction method to all sales as an alternative to the average-to-average method. If the value of sales to purchasers, regions, and time periods that pass the Cohen's d test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an average-to-transaction method to those sales identified as passing the Cohen's d test as an alternative to the average-to-average method, and application of the average-to-average method to those sales identified as not passing the Cohen's d test. If 33 percent or less of the value of total sales passes the Cohen's d test, then the results of the Cohen's d test do not support consideration of an alternative to the average-to-average method.

If both tests in the first stage (*i.e.*, the Cohen's d test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the average-to-average method can appropriately account for such differences. In considering this question, we test whether using an alternative comparison method, based on the results of the Cohen's d and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, then this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and, therefore, an alternative comparison method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if: (1) there is a 25 percent relative change in the weighted-average dumping margins between the average-to-average method and the appropriate alternative method where both rates are above the *de minimis* threshold; or (2) the resulting weighted-average dumping margins between the average-to-average method and the appropriate alternative method move across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.²³

2. Results of the Differential Pricing Analysis

For Citrique Belge, based on the results of the differential pricing analysis, we preliminarily find that 17.35 percent of the value of U.S. sales pass the Cohen's *d* test,²⁴ and does not confirm the existence of a pattern of prices that differ significantly among purchasers, regions or time periods. Thus, the results of the Cohen's *d* and ratio tests do not support consideration of an alternative to the average-to-average method. Accordingly, we preliminarily determine to apply the average-to-average method for all U.S. sales to calculate the weighted-average dumping margin for Citrique Belge.

C. **Product Comparisons**

For the purposes of determining an appropriate NV based on home market prices for comparison to the U.S. sale prices, in accordance with section 771(16)(A) of the Act, we considered all products sold in the home market as described in the "Scope of the Order" section above that were in the ordinary course of trade. To identify identical or similar merchandise, we matched foreign like products to the products sold in the United States based on the physical characteristics. In order of importance, these physical characteristics are: (1) type; (2) form; (3) grade; and (4) particle size.

D. **Export Price**

Section 772(a) of the Act defines EP as "the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c)."

All of Citrique Belge's U.S. sales were reported as EP sales.²⁵ In accordance with section 772(a) of the Act, we based EP on packed prices to the first unaffiliated purchaser in the United States. We made deductions for movement expenses, in accordance with section 772(c)(2)(A) of the Act, which included, where appropriate, foreign inland freight expenses, warehouse expenses, foreign brokerage and handling expenses, international freight expenses, U.S. brokerage and handling expenses, and U.S. harbor maintenance fees.

²³ The Court of Appeals for the Federal Circuit (CAFC) has affirmed much of Commerce's differential pricing methodology. See, e.g., *Dillinger France S.A. v. United States*, 981 F.3d 1318 (Fed. Cir. 2020); *Apex Frozen Foods v. United States*, 862 F.3d 1322 (Fed. Cir. 2017). We ask that interested parties present only arguments on issues which have not already been decided by the CAFC.

²⁴ See Memorandum, "Citrique Belge's Analysis Memorandum for the Preliminary Results of the Citric Acid and Certain Citrate Salts from Belgium Antidumping Duty Administrative Review; 2019-2020," dated concurrently with this memorandum (Citrique Belge Preliminary Analysis Memorandum).

²⁵ See Citrique Belge Section B and C IQR at C-9.

E. Normal Value

1. Home Market Viability

In accordance with section 773(a)(1)(C) of the Act, to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home-market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared Citrique Belge's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise. Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.404(b), because Citrique Belge's aggregate volume of home market sales of the foreign like product was greater than five percent of the aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable.²⁶

2. Level of Trade

In accordance with section 773(a)(1)(B) of the Act and, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the U.S. sales. Pursuant to 19 CFR 351.412(c)(1)(iii), the LOT for NV is based on the starting price of the sales in the comparison market or, when NV is based on constructed value, the starting price of the sales from which we derive selling, general and administrative expenses, and profit.

To determine if NV sales are at a different LOT than export price sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer.²⁷ If the comparison-market sales are at a different LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment to NV under section 773(a)(7)(A) of the Act.

According to 19 CFR 351.412(c)(2), Commerce will determine that sales are made at different LOTs if they are made at different marketing stages (or their equivalent). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing.²⁸ Commerce's LOT analysis takes into account qualitative factors, such as the significance of the activities themselves and the extent to which the activities are performed. In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (*i.e.*, customer category), and the level of selling expenses for each type of sale.

Pursuant to 19 CFR 351.412(c)(1), in identifying LOTs for EP and comparison market sales (*i.e.*, NV based on either home market or third-country prices), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price

²⁶ See Citrique Belge Section A IQR at Exhibit A-1.

²⁷ See 19 CFR 351.412(c)(2).

²⁸ See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*Plate from South Africa*).

after the deduction of expenses and CEP profit under section 772(d) of the Act.²⁹ When Commerce is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, Commerce may compare the U.S. sales to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was practicable), Commerce shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act.³⁰

In this administrative review, Citrique Belge provided information regarding the marketing stages involved in making the reported home market and U.S. market sales, including a description of the selling activities performed for each channel of distribution.³¹ Citrique Belge reported that it sold citric acid through two channels of distribution in both home and U.S. markets, noting that there are no significant differences between the two channels or between the levels of trade in the home and U.S. markets.³² Consequently, we have preliminarily matched all EP sales to home market sales, and no LOT adjustment was warranted.

3. Cost of Production

Pursuant to section 773(b)(2)(A)(ii) of the Act, we requested cost information from Citrique Belge in this review to determine if there were reasonable grounds to believe or suspect that sales of foreign like product had been made at prices that represented less than the cost of production (COP) of the product.

a. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of the cost of materials and fabrication for the foreign like product, plus an amount for general and administrative expenses and interest expenses.³³ We relied on the COP data submitted by Citrique Belge. We examined the cost data and determined that our quarterly cost methodology is not warranted in this review. Therefore, we have applied our standard methodology of using annual costs based on the reported data of Citrique Belge.³⁴

b. Test of Comparison Market Prices

As required under section 773(b)(1) and (2) of the Act, we compared the company-specific weighted average COP to the company-specific comparison market sales prices of the foreign like product to determine whether these sales had been made at prices below the COP within an

²⁹ See *Micron Technology Inc. v. United States*, 243 F.3d 1301, 1314-1315 (Fed. Cir. 2001).

³⁰ See *Plate from South Africa*, 62 FR at 61732-33.

³¹ See Citrique Belge Section A IQR at Exhibit A-5.

³² *Id.* at 14-15.

³³ See “Test of Comparison Market Sales Prices” section below for treatment of comparison market selling expenses.

³⁴ See Citrique Belge Preliminary Analysis Memorandum.

extended period of time (*i.e.*, normally a period of one year) in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. We determined the net home market prices for the below cost test by subtracting from the gross unit price all applicable movement charges, direct and indirect selling expenses, and packing expenses, where appropriate.³⁵

c. Results of COP Test

Section 773(b)(1) of the Act provides that, where sales made at less than the COP “have been made within an extended period of time in substantial quantities” and “were not at prices which permit recovery of all costs within a reasonable period of time,” Commerce may disregard such sales when calculating normal value. Pursuant to section 773(b)(2)(C)(i) of the Act, we did not disregard below-cost sales that were not made in “substantial quantities,” *i.e.*, where less than 20 percent of sales of a given product were made at prices less than the COP. We disregarded below-cost sales when they were made in substantial quantities, *i.e.*, where 20 percent or more of a respondent’s sales of a given product were at prices less than the COP and where “the weighted average per unit price of the sales...is less than the weighted average per unit cost of production for such sales.”³⁶

Finally, based on our comparison of prices to the weighted-average COPs, we considered whether the prices would permit the recovery of all costs within a reasonable period of time.³⁷

Our cost test indicates that Citrique Belge had certain comparison market sales that were sold at prices below the COP within an extended period of time in substantial quantities and were at prices which would not permit the recovery of all costs within a reasonable period of time.³⁸ Thus, in accordance with section 773(b)(1) of the Act, we disregarded certain below-cost sales and used the remaining above-cost sales to determine NV.

4. Calculation of Normal Value Based on Comparison Market Prices

We calculated NV based on the reported packed, ex-factory, or delivered prices to comparison market customers.

We made deductions from the starting price, where appropriate, for billing adjustments, warehousing expenses and inland freight, pursuant to 19 CFR 351.401(c) and section 773(a)(6)(B)(ii) of the Act.³⁹ Pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(b), we made, where appropriate, circumstance-of-sale adjustments (*i.e.*, credit). We added U.S. packing costs and deducted comparison market packing costs, in accordance with sections 773(a)(6)(A) and (B)(i) of the Act.

³⁵ See Citrique Belge Preliminary Analysis Memorandum.

³⁶ See section 773(b)(2)(C)(ii) of the Act.

³⁷ See section 773(b)(2)(D) of the Act.

³⁸ *Id.*

³⁹ See Citrique Belge Preliminary Analysis Memorandum.

When comparing U.S. sales with comparison market sales of similar, but not identical, merchandise, we also made adjustments for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We based this adjustment on the difference in the variable cost of manufacturing for the foreign-like product and subject merchandise.⁴⁰ For detailed information on the calculation of NV, *see* the Citrique Belge Preliminary Analysis Memorandum.

F. Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

VI. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

☒

Agree

☐

Disagree

7/16/2021

X



Signed by: CHRISTIAN MARSH

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

⁴⁰ *See* 19 CFR 351.411(b).